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IN THE

Supreme Court of the United States

October Term, 1962

No. 1067

MAIER BREWING COMPANY, a corporation, and RALPHS GROCERY COMPANY, a corporation,

Petitioners,

vs.

THE FLEISCHMANN DISTILLING CORPORATION, a corporation, and JAMES BUCHANAN & COMPANY, LIMITED,

Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

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Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit, entered in the above-entitled case on February 12, 1963.

Citations to Opinions Below.

The opinion of the District Court [R. 57-63],[1] printed in Appendix B, *infra*, is reported in 196 F. Supp. 401. The opinion of the Court of Appeals [R. 199-217a], printed in Appendix C, *infra*, is reported in 314 F. 2d 149.

[1] "R" refers to the transcript of record. The transcript is in two volumes, each paged separately. Page references to the second volume will be designated "R. II".

Jurisdiction.

The judgment of the Court of Appeals was entered on February 12, 1963 [R. 218]. It is printed in Appendix D, *infra*. The jurisdiction of this Court is invoked under the Title 28, U. S. Code, Section 1254(1).

Questions Presented.

Whether the Lanham Act extended the protection of registered trade-marks against use on non-competing and different goods so as to authorize the Court of Appeals to find that respondents' trade-mark "Black & White" for Scotch whisky was infringed by petitioners' use of the name for their domestic beer, where

(a) Pre-Lanham Act decisions found no infringement in the use of similar names for whisky and beer;

(b) The name "Black & White" has been widely used for a variety of goods and business establishments;

(c) The District Court found no infringement or likelihood of confusion, and found that respondents' Scotch whisky (expensive imported distilled spirits) and petitioners' beer (an inexpensive domestic fermented product) are goods of distinctly different properties;

(d) As required by Federal and State law, both respondents' Scotch whisky and petitioners' domestic beer are sold in containers conspicuously marked with the producer's name and place of origin;

(e) The labels of the two products are dissimilar; and

(f) There was no evidence of actual confusion.

The Statutes Involved.

The statute involved is Section 32(1) of the Lanham Act (15 U. S. C. Sec. 1114(a)(1)), which is printed in Appendix A, *infra*. Since a question is presented as to whether this enactment changed previously existing law, the corresponding provision of the predecessor statute (Section 16 of the Trademark Act of 1905) is also printed in Appendix A.

Statement.

In their action against petitioners, respondents asserted a claim for trade-mark infringement under Federal law together with a claim of unfair competition [R. 3-16]. The District Court found against respondents on all issues [R. 64-73] and rendered judgment for petitioners [R. 74-75]. The Court of Appeals reversed and directed entry of judgment for respondents, basing its decision solely on the Lanham Act [R. 199-217a]. The District Court's finding against alleged unfair competition remains undisturbed. Accordingly only the Lanham Act is now involved.

Respondents (plaintiffs in the District Court) are: James Buchanan & Company, Limited, a Glasgow, Scotland, distiller which produces Scotch whisky under the name "Black & White"; and The Fleischmann Distilling Corporation, which imports Buchanan's whisky and distributes it in the United States.

Petitioners (defendants in the District Court) are: Maier Brewing Company, a Los Angeles, California brewer; and Ralphs Grocery Company, a Southern California chain of retail markets which sells Maier beer under the "private brand" name "Black & White".

In 1908 respondent Buchanan registered "Black & White" under the Federal Trademark Act of 1905 "for whisky, in Class No. 49, *Distilled* alcoholic liquors." (emphasis supplied).[2] In 1948 the mark was republished under the 1946 act [R. II-313]. Respondents have used it to designate Buchanan's Scotch whisky and for no other purpose [R. 52]. Their advertising "has tried to build up the name of Black & White in the whisky field" [R. 109]. Petitioners concede that as applied to whisky the mark "Black & White" means respondents' Scotch whisky.

There have been many Federal and California registrations of the mark "Black & White" for a variety of goods (at least 215 items), including beer [R. II-259-260], malt syrup (during Prohibition when it was used for making home-brewed beer) [R. II-248], and "non-alcoholic beverages . . . of every description." [R. II-261-262]. The mark registered for beer in California was used for some years by the St. Claire Brewing Co. [R. 127-129].[3] And there was a later use of the mark by still another California brewer [R. 131].

In 1956 petitioner Maier needed a "private brand" name for use on a low-priced domestic beer for sale to petitioner Ralphs. The name "Black & White" was suggested by a Maier employee who had formerly sold St. Claire beer under that name and "done good business" with it [R. 126-139; 163-164]. Maier's vice-

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[2] "Distilled alcoholic liquors" is one of the classifications (No. 49) adopted by the Commissioner of Patents. "Malt beverages and liquors" (No. 48) is another. (37 C. F. R. Sec. 100.161).

[3] The District Court evidently ascribed significance to the prior use of the mark for beer in California [R. 66, 67, 186], but the Court of Appeals disagreed [R. 206].

president consulted a register of beer brands, inquired of the California alcoholic beverage control agency, and ascertained that the name "Black & White" was not being used for beer produced in or imported into California [R. 165]. The former owners of the defunct St. Claire Brewing Co. consented to Maier's use of the name [R. 130-137]. Maier used the name on beer which it sold to Ralphs, whose retail sales of the beer have gradually built up to a considerable volume [R. 172-174].

When Maier adopted the name "Black & White" for its beer, it knew of respondents' Scotch whisky being marketed under that name. The District Court found that "Maier adopted the 'Black & White' label for beer in good faith" in the belief "that the two products were so distinct that there would be no likelihood of confusion between the products or confusion as to the source of the products" [R. 67]. This finding is supported by substantial evidence [*e.g.*, R. 165]. But the Court of Appeals expressed the view that the trial court's finding of good faith was either irrelevant or "clearly erroneous". From the fact that petitioner's knew of the popularity of respondents' Scotch whisky the Court of Appeals concluded "that Maier deliberately adopted the name knowing that Black & White was the name and trade-mark of Buchanan and they must have done so with some purpose in mind. *The only possible purpose* could have been to capitalize on the name chosen. This popularity, *they must have known* would extend to their product because the public would associate the name Black & White with something old and reliable in the way of an alcoholic beverage." (em-

phasis supplied) [R. 211]. In reaching this conclusion the Court of Appeals rejected contrary testimony, credited by the District Court, respecting petitioners' intentions and evidence which showed that Black & White "was a common, a simple to remember name" [R. 172], that it had been used on California beer "which had been popular" [R. 164] and had sold in "good volume" [R. 129] and that a Maier salesman who had formerly sold St. Claire "Black & White" beer "was anxious to get ahold" of the name because he had "always in the past done good business" with it and "knew we could do additional business on" it [R. 139].

In the view of the Court of Appeals, its finding of bad faith lent support to its conclusion respecting likelihood of confusion.

There was no evidence of actual confusion. Respondents' only witness admitted that none was likely [R. 116-118], but the Court of Appeals said "we attach little weight to his testimony." [R. 214].

The labels on which petitioners and respondents have used the words "Black & White" are dissimilar [R. 67, II-248, II-221-222]. Evidently for the purpose of giving their product better identification than would be afforded by the commonplace name "Black & White" alone, respondents have associated the words with a picture of black and white Scottie dogs. Respondents have registered a mark consisting of the words with a picture of the dogs, used the picture on a label on its whisky bottles, and prominently featured similar pictures in advertising [R. 53-56, 65-66, 111-114, II-191-210, II-222]. Petitioners have used only the words,

without any picture [R. 59]. Petitioners' typography and arrangement of lettering and background are quite different from respondents' [R. II-218, II-221-222].

Federal and State law require all whisky and beer sold in California to be marked with the maker's name and its place of manufacture: 27 U. S. C. Sec. 205(e); 26 C. F. R. Part 245, sub-part 120; 27 C. F. R. Part 5, sub-parts 5.30-5.41; California Business and Professions Code, Secs. 25170 and 25200. Petitioners' beer and respondents' whisky are so marked [R. II-216, II-221-222]. And as a foreign import respondents' whisky is required by the Tariff Act (19 U. S. C. Sec. 1304) to be "marked in a conspicuous place . . . in such manner as to indicate to an ultimate purchaser . . . the name of the country of origin." It is so marked; the words "PRODUCT OF SCOTLAND" appear on its front label; and "Scotland" appears twice again and "Scotch" five times on the labels of each bottle. It has not been suggested that either petitioners' or respondents' label fails of compliance with the laws requiring identification of the maker and place of manufacture. If there is any such failure of compliance there are ample penal and administrative remedies to enforce proper disclosure.

Scotch whisky is imported to the United States in large quantity [R. 65]. But in California, as probably elsewhere in the United States, Scotch beer is virtually unknown.[4]

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[4] In 1961, the only year for which complete figures are readily available to us, California consumption of beer was over 230 million gallons, of which some 66 million were imported from outside the State; only 6,200 gallons of malt beverages were imported from Scotland, or less than 1/100 of 1% of all imports and less than 3/1000 of 1% of all beer consumed. (California

As the trial court found, Scotch whisky and beer are goods of distinctly different properties [R. 69]. Although both are alcoholic beverages, Scotch whisky and American beer are quite different, not only in taste, alcoholic content, origin, price, labeling, and method of manufacture, but also in respect of their uses and the amenities associated with each in the minds of consumers. Beer is suitable for drinking with meals; whisky is not. Scotch whisky, being expensive, has snob appeal; beer (especially a low-priced "private brand" of domestic beer) has none.[1]

While perforce recognizing that the words "Black & White" are used to designate "a large number of different products" [R. 204] and "numerous firms and businesses" [R. 206], the Court of Appeals nevertheless thought respondents' mark a "strong" one [R. 205]. The trial court had found that "There is no likelihood of confusion or mistake as to source resulting from the concurrent use of the mark 'Black & White' by plaintiffs for Scotch whisky and by defendants for beer" [R. 70]. But the Court of Appeals rejected this finding and decided for itself that the use of "Black & White" on petitioners' California beer "would be likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such

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Alcoholic Beverage Control reports.) (The little malt beverage imported from Scotland was probably not beer as we know it; in this country and in the United Kingdom "beer" means different kinds of beverages, produced by different processes: Encyclopedia Britannica: Beer.)

[1] "A market survey for *The Chicago Tribune* showed that "beer drinking is an informal, predominantly middle-class custom," and that advertising which attempted to associate it with swank provoked ridicule. (Vance Packard, *The Hidden Persuaders* (Cardinal Pocket Book ed.), pp. 104-105.)

goods" [R. 209]; *i.e.*, to cause purchasers of Maier Brewing Co.'s low-priced "Black & White" "private brand" of California beer to believe that it was made by James Buchanan & Company, Limited, Scotch whisky distillers of Glasgow, Scotland. The Court of Appeals seemingly arrived at this conclusion by inferring likelihood of confusion from the circumstances that both petitioners' domestic beer and respondents' Scotch whisky are included in the generic term "alcoholic beverages" [R. 209, 215].

The trial court noted a conflict of decisions concerning the likelihood of confusion arising from use of the same name for both whisky and beer [R. 61]. The Court of Appeals thought the decisions finding non-infringement were "factually distinguishable" and in any event rendered obsolete by the Lanham Act [R. 216].

Reversing the judgment of the trial court, the Court of Appeals directed entry of judgment granting respondents injunctive relief as prayed, *i.e.*, forbidding petitioners to package or sell beer under the name "Black & White" and commanding them to destroy every package so marked [R. 10-11, 217a].

Reasons for Granting the Writ.

1. In what follows we show that on the question of trade-mark infringement under the Lanham Act there have developed conflicts of decision, both in terms of general principles and in their specific application to whisky and beer trade-marks, that it is desirable for this Court to furnish guidance, and that review of this case is appropriate for that purpose.

2. Since Supreme Court review became largely discretionary under the Judiciary Act of 1925 this Court has decided very few trade mark cases. In 1949 it was noted that the latest trade-mark decision of this Court dated from 1942, which was prior to the Lanham Act.[6] Since then only two trade-mark cases appear to have been decided in this Court.[7] Neither of them dealt with the question which is of principal concern in the trade-mark field, namely, to what extent, if at all, the Lanham Act changed the law of infringement. The central question is whether the protection of registered trade-marks was expanded as against dissimilar, noncompeting goods because the Lanham Act omitted the phrase "merchandise of substantially the same descriptive properties" which had appeared in the 1905 Act.

In the instant case the Court of Appeals held that the Lanham Act had enlarged the scope of protection against infringement, so that prior decisions on that subject lack authority [R. 201, 203, 216]. This holding conflicts in principle with the decisions of the Courts of Appeals of the Second and Seventh Circuits in *S. C. Johnson & Son v. Johnson* (C. A. 2), 175 F. 2d 176, and *California Fruit Growers Exchange v. Sunkist Baking Co.* (C. A. 7) 166 F. 2d 971. In the *Johnson* case the court, *per* Circuit Judge Learned Hand, held that as to infringement the Lanham Act was declaratory of pre-existing law.[8] In the *Sunkist*

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[6] Lunsford, Trademark Infringement and Confusion of Source: Need for Supreme Court Action, 35 Va. L. Rev. 214.

[7] *Stegle v. Bulova Watch Co.*, 344 U. S. 280, and *Dairy Queen, Inc., v. Wood*, 369 U. S. 469.

[8] This also appears to be the view entertained by the Patent Office: *Greyhound Corp. v. Robinson-Houchin Corp.*, 89 U. S. P. Q. 621.

case Circuit Judge (later Mr. Justice) Minton, speaking for the court, held that omission from the Lanham Act of the phrase "merchandise of substantially the same descriptive properties" had limited rather than expanded the protection afforded by the 1905 Act.

In this situation it is appropriate for this Court to give leadership and lend its aid to the orderly development of the law. The need for Supreme Court review in this field has long been recognized: see, *e.g.*, Lunsford, "Trademark Infringement and Confusion of Source: Need for Supreme Court Action," 35 Va. L. Rev. 214; Derenberg, "The Ninth Year of Administration of the Trademark Act of 1946," 40 Trademark Reporter 1017, at 1077; and the dissenting opinion of Circuit Judge Frank in *Triangle Publications v. Rohrlich* (C. A. 2), 167 F. 2d 969, at 974. In the absence of guidance by this Court the courts of appeals will tend to follow their divergent lines of authority. Or they will defer, as do some, to the views of the few text writers[9] whose works have achieved wide recognition in this field and who tend to assume *de facto* supreme authority as long as this Court remains silent. One of the disadvantages of this result is that the development of the law may be distorted by the honest bias of trade-mark specialists, most of whom are professionally occupied with extending the protection accorded to nationally advertised trademarks.[10]

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[9]E.g., Derenberg, Callman, and Nims.

[10]For example, The Trademark Reporter, a scholarly professional journal in this field, is published by the United States Trademark Association, "An Organization for the Protection of Trademarks and Trade Names," whose directors represent leading national enterprises. One of its directors, who is counsel

3. The decision of the Court of Appeals in this case conflicts in principle, if not directly, with the decisions of the Courts of Appeals for the Fourth, Eighth, and Tenth Circuits in *Arrow Distilleries v. Globe Brewing Co.* (C. A. 4), 117 F. 2d 347, *Atlas Beverage Co. v. Minneapolis Brewing Co.* (C. A. 8), 113 F. 2d 672, and *Ph. Schneider Brewing Co. v. Century Distilling Co.* (C. A. 10), 107 F. 2d 699. In each of those cases it was held that a trade-mark registered for whisky was not infringed by its use on beer. In the instant case the court of appeals said of those decisions merely that they were "factually distinguishable" and also distinguishable because they antedated the Lanham Act [R. 216].

Of course the three cases just cited are "factually distinguishable" to the extent that they involved the words "Arrow", "Century", and "White Seal", while the instant case involves the words "Black & White". But if such factual distinctions are sufficient to avoid a direct conflict of decision, then unless and until the same trade-mark and the same allegedly infringing mark are engaged in multiple litigation in different circuits there can never be a direct conflict of decisions which cannot possibly be distinguished on their special facts. And a decision of this Court resolving such a direct conflict, if it ever occurs, would probably be of no more value, except to the particular litigants, than a decision resolving the existing conflict of principle.

Whether the pre-Lanham Act decisions have been superseded by that legislation, as the Court of Appeals

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for the Coca-Cola Company, wrote the law review article cited above, footnote 6; he frankly expounded the view that the Lanham Act had enlarged the scope of trade mark protection.

said in this case, is itself a question concerning which there exists a conflict of decisions among the circuits, as noted above. It is doubtful whether the Lanham Act was so intended. The committee reports of that law speak of clarifying rather than changing the law of infringement, and they make it clear that trademark protection is not designed to promote monopoly: U. S. Code Congressional Service, 1946, pages 1274-1278.

4. The decision of the Court of Appeals in this case also conflicts in principle with *American Steel Foundries v. Robertson*, 269 U. S. 372. In that case the name "Simplex", which this Court considered a "weak" mark in view of its common use on a variety of goods, was refused protection against use on a different class of goods. This Court said: "The mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description." (269 U. S., at 380). The name "Black & White", widely used on a variety of goods, is certainly a "weak" mark by the standards to which this Court adhered in the *American Steel Foundries* case.

5. The Court of Appeals found likelihood of confusion of source by means of a kind of *a priori* deduction from the generic term "alcoholic beverages". From the fact that Buchanan's Scotch whisky and Maier's California beer are both "alcoholic beverages" the court concluded that purchasers are likely to confuse their sources. This appears to be a mistaken deduction from an abstract term so general as to leave out con-

trolling market considerations.[11] Actually, the likelihood of confusion which the appellate court found was inherent in its statement of the problem, which begged the question. It is only by leaving out the distinctive qualities of Scotch whisky and domestic beer that they can be included under the generic term "alcoholic beverages". If those distinctive qualities are ignored and attention is fixed on the mere presence of ethyl alcohol in different beverages it is possible to think of Scotch whisky and domestic beer as being essentially alike. But that is not at all the way different "alcoholic beverages" appear to the consuming public.[12]

Nobody shops for an "alcoholic beverage" in general; everyone has something more or less specific in mind. At the least, he has in mind the characteristics which distinguish one alcoholic beverage, or a class of them, from others. In making their choices, purchasers give attention to just those distinctive product characteristics which the abstract notion "alcoholic beverages" leaves out. It is only by preoccupation with generalities, ignoring market facts, that confusion of source between Buchanan's Scotch whisky and Maier's California beer can be made to seem likely or even possible.

We respectfully suggest that the decision of the District Court was right and that the Court of Appeals decision was wrong. The decision of the appellate court is largely founded on the belief that the Lanham Act

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[11]". . . judges . . . are naturally accustomed to resort to abstract concepts . . ." (3 Callman, Unfair Competition and Trademarks (2d ed.) 1378.)

[12]Hogarth's paintings "Beer Street" and "Gin Lane" (1751) contrast the different popular associations of beer and hard liquor.

changed the law of infringement. In this respect there is a conflict of decision concerning the effect of the Lanham Act, which this Court has described as a "complex and controversial Act."[13] This is an important question of Federal law which has not been, and should be, decided by this Court.

Conclusion.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted.

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MURRAY M. CHOTINER,
Counsel for Petitioners.

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[13] *Steele v. Bulova Watch Co.*, 344 U. S. 280, at 283.

APPENDIX A.

Lanham Act, Section 32(1) (U.S.C. Sec. 1114(1)) (60 Stat. 437)

(1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action * * *

Trade-mark Act of 1905, Section 16 (33 Stat. 728)

The registration of a trade mark under the provisions of this subchapter shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy or colorably imitate any such trade mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with

the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof;

* * *

APPENDIX B.

U. S. District Court

Memorandum Opinion and Order.

This is a suit brought by plaintiff, The Fleischmann Distilling Corporation, hereafter called Fleischmann, and plaintiff in intervention, James Buchanan & Company Limited, hereafter called Buchanan, against defendant Maier Brewing Company, hereafter called Maier, and defendant Ralphs Grocery Company, hereafter called Ralphs. Plaintiffs seek injunctive relief and damages from defendants based upon their alleged infringement of the trademark "Black & White" which is registered under both federal and California laws and because defendants' use of the name on their beer constitutes unfair competition.

There is no basic dispute as to the facts, most of which have been admitted in the pleadings, by stipulations, by discovery or by uncontradicted testimony. Buchanan and its predecessor have blended and sold Scotch whisky under the name "Black & White" since before the turn of the century and have marketed their product in the United States for more than fifty years. Since 1938, Fleischmann has been the sole importer of Black & White, which has been registered since the first decade of the century. It is the leader among Scotch whiskies. Its sales have exceeded a million bottles during the tenure of Fleischmann and more than 500,000 cases in the six year period 1951-1957 in California, more than half of which were sold in Los Angeles County where Ralphs does business.

Advertising expenditures on the part of plaintiffs during the last mentioned period exceeded five million

dollars thus contributing to the fame of the name, "Black & White," which has been the subject of a history book (Plaintiff's Ex. 9). In the alcoholic beverage industry the name "Black & White" has come to mean Scotch whisky, as testified to by Baumgarten.

Defendant Maier brews and sells beer including "private brands" which are offered under numerous names to supermarkets and other customers. In June 1950, Maier commenced the use of the name "Black & White" in connection with beer sold by defendant Ralphs in Los Angeles, where it has some thirty-two outlets. The name had previously been used for beer by the St. Claire Brewing Co. of San Jose in 1935 and had been abandoned in 1938. Maier learned of such use and abandonment through Mr. Mosman who had been a salesman for St. Claire Brewing Co. before going to work for Maier.

Defendant Maier, who had admittedly heard of plaintiffs' product when the name "Black & White" was selected as a label for beer, chose to revive the nomenclature because the two products were distinct and their use should not create confusion among the buying public. This is the background which plaintiffs ask this Court to enjoin defendants from further use of the name "Black & White" on beer, which is an alcoholic beverage.

It is to be noted at the outset that plaintiffs enjoy a trademark on both the name "Black & White" and the Scottie dogs which are pictured on Scotch whisky. The words appear on the label on the front of the

bottle; the dogs with the words appear on the back of the bottle. As testified to by Mr. Baumgarten, Vice-President of Fleischmann, the words are associated with the two Scottie dogs in advertising. In contrast, defendants market a beer which uses the words only and abstains from use of the dogs. Thus, to the extent defendants refrain from combining the picture of the Scotties with the use of "Black & White," they are avoiding an infringement of the combination mark. Sunbeam Furniture Corp. v. Sunbeam Corp., 191 F.2d 141 (9th).

The name "Black & White" has been used for many beverages including coffee, ginger ale, malt syrup, fruit juices and grape juice, which have been registered in the United States Patent Office. The mark has also been registered in California for several of these beverages as well as cocoa, tomato juice and beer. Finally, it has been used by liquor stores themselves.

Defendants contend that under the circumstances of this case, Arrow Distilleries v. Globe Brewing Co., 117 F.2d 351 and Century Distilling Co. v. Ph. Schneider Brewing Co., 26 F. Supp. 930 (Aff. 107 F.2d 699) are controlling and that the use of "Black & White" for beer is a proper one and not subject to an injunction. They point out—and are supported by the record—that there is no evidence of confusion between plaintiffs' and defendants' products nor belief among customers that Black & White beer is manufactured by Buchanan. They observe that plaintiffs have not been damaged nor are they likely to be in the future. Under the circumstances they ask this Court to rule in accordance with the decisions in the

Arrow and Century cases and deny the relief which plaintiffs' seek.

Both of the cases relied upon by defendant hold that use of the same mark on beer and hard liquor is proper and does not give rise to an infringement action. In the Arrow case, cordials or liqueurs, which are distilled, were the opponents of beer; in the Century case, as in the present litigation, whisky and beer were involved. Since the court found that defendant was not attempting to palm off his beer as plaintiff's goods and was not guilty of engaging in deception of the buyer, relief was denied. In like manner, defendants have made no effort to suggest that Black & White beer is produced by Buchanan nor have they been guilty of practicing deception. In good faith they sought to acquire title to the name from St. Claire Brewing. During the past several years they have built up a limited market for their product in the Los Angeles area.

There is no real competition between plaintiffs and defendants. Sunbeam Furniture, supra. Nor would the labels, which are distinct, tend to deceive an ordinary buyer or confuse him (Sleeper Lounge Company v. Bell Manufacturing Co., 253 F.2d 720.) The very fact that there is no real competition between the products is evidence that there is unlikely to be confusion in the mind of a buyer.

While there is an apparent conflict in the decisions, there is authority for defendants' position that whisky and beer are sufficiently distinct so as to permit use of the same name on the two products. In addition to the Arrow and Century cases, supra, the following

holdings buttress defendants: Burger Brewing v. Maloney-Davidson Co., 80 F.2d 845 (beer and malt syrup); Atlas Beverage v. Minneapolis Brewing Co., 113 F.2d 672 (beer and whisky); Englander v. McKesson-Roeber-Kuebler, 185 Atl. 817 (N.J.—gin vs. wines and cordials).

As stated above, "Black & White" are common words which have been used on many products over a long period of time. While plaintiffs' advertising has made its whisky well known, the mark has been diluted through its diverse uses over the years. The trade word has not become so descriptive of a single product that the producer of that article is entitled to full protection against a product as distinct as beer is from whisky. See Mershon Co. v. Pachmayr, 220 F.2d 879. The fact that there have been thirty-two resistrations in the United States Patent Office and five trade mark registrations in California of the words "Black & White" cannot be ignored by the Court.

Plaintiffs argue that the line must be drawn between the legitimate and the illegitimate use of the name on products which are marketed on a potentially competitive basis. They contend that this is the place to draw such a line in view of the fact that both products are alcoholic beverages. The answer to this contention is found in the test laid down by Judge Barnes of this circuit in the Sleeper Lounge Company v. Bell Manufacturing Co., supra, at page 722, when he asked the crucial questions: "Is there any likelihood of confusion or mistake in such use? Would the ordinary purchaser buying with ordinary caution, be misled? * * *" Since both answers must be in the negative in the light of

the evidence before the Court, plaintiffs have failed to make out a case which entitles them to the relief which they ask.[1]

Plaintiffs' own witness in testifying as to the scope of the trademark "Black & White" and the use of the Scotty dogs, conceded that defendants' label was distinct and very candidly admitted that only two isolated instances occurred when his company was asked when it had started to make beer.[2] In sales, there was no evidence of confusion nor loss of sales of Scotch whisky.

Under the facts of this case, defendants are entitled to judgment; and plaintiffs must be denied the relief they seek.

Accordingly, It Is Ordered that plaintiffs' prayer for an injunction and damages be, and the same hereby is, Denied. Defendants shall prepare findings of fact, conclusions of law and decree.

Dated: August 28, 1961.

/s/ GEO. B. HARRIS,
U. S. District Judge.

[Endorsed]: Filed August 28, 1961.

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[1] Lack of confusion on the part of the buying public distinguish the principal case from Stork Restaurant v. Sahati (9th, 166 F. 2d 348), cited by plaintiffs.

[2] "Q. Now, is it your contention, Mr. Baumgarten, that a customer would be confused in buying a can of Black and White beer put out by the Maier people that he was getting a product of Buchanan's? A. No. The only two very isolated instances, I was asked in Southern California by people who were in the business, 'When did you people start making beer?' And that is, as I said, only a couple of instances that that has happened. No, my answer is no to your question.

Q. You don't believe there would be any confusion in a customer's mind that they were buying a beer made in Great Britain? A. I wouldn't think so, no." (pp. 9-10.)

APPENDIX C.

Opinion of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

The Fleischmann Distilling Corp., a corporation, etc., Appellants, vs. Maier Brewing Company, a corporation, et al., Appellees. No. 17,690.

Feb. 12, 1963.

Appeal from the United States District Court for the Northern District of California, Southern Division.

Before Pope, Browning and Duniway, Circuit Judges.

Pope, Circuit Judge.

Fleischmann Distilling Corporation, here called Fleischmann, filed in the court below its complaint for trademark infringement and unfair competition against Maier Brewing Company, here called Maier, and Ralphs Grocery Company, here called Ralphs, seeking an injunction restraining the defendants from using the name "Black & White" upon beer manufactured by Maier and sold by Ralphs. It asserted that such use of that name was an infringement of a trademark "Black & White" used on Scotch whisky manufactured abroad by James Buchanan & Company, here called Buchanan, and imported and sold by Fleischmann in the United States.

Jurisdiction in the court below was invoked by reason of the diversity of citizenship of the parties with the requisite amount in controversy, and also on the ground that it "arises under Acts of Congress relating to trademarks, [citing the Acts of February 20,

1905, and of July 5, 1946, hereafter referred to], and also asserts a related claim of unfair competition." Subsequently Buchanan filed a complaint in intervention against the same defendants adopting and incorporating therein Fleischmann's complaint and joining with Fleischmann in the prayer for relief.

Fleischmann and Buchanan, together, will be referred to herein as plaintiffs. After trial to the Judge, sitting without a jury, the court below entered its findings of fact and conclusions of law and a judgment finding generally for the defendants and against the plaintiffs, dismissing the action and awarding the defendants their costs. This appeal followed.

As the trial Judge noted in his opinion, the record presents no basic dispute as to the facts. Buchanan and its predecessor have blended and sold Scotch whisky under the name "Black & White" since before the turn of the century, and have marketed the product in the United States under that name for more than 50 years. Buchanan registered the name as its trademark for Scotch whisky in the United States Patent Office in 1908, and in California in 1911. The federal registration was renewed under the Act of 1946 in 1948. Fleischmann has been the sole importer of Black & White whisky in the United States since 1948.

With respect to this Scotch whisky the trial court found as follows: "8. 'Black & White' Scotch whisky is a widely known Scotch whisky. It is the leader among Scotch whiskies. Its sales have exceeded one hundred million bottles during the tenure of Fleischmann and more than five hundred thousand cases have been sold in the six year period between 1951 and 1957.

in California, more than half of which were sold in Los Angeles County where Ralphs does business. In the alcoholic beverage industry the name 'Black & White' has come to mean Scotch whisky." During the six year period mentioned, the plaintiffs expended more than five million dollars in advertising their Black & White Scotch whisky.

Maier is a brewing company in Los Angeles, and Ralphs owns and operates a chain of grocery stores in that area. Maier brews a low price beer which it sells under a variety of different labels. In the summer of 1956, Ralphs was seeking to obtain an inexpensive beer for sale in its chain of stores under a label for Ralphs' exclusive use. The upshot was that Maier sold beer to Ralphs through a wholesaler under the label Black & White. In December, 1957, Maier was notified by attorneys for Buchanan that they considered Maier's use of the Black & White name a trademark infringement and unfair competition. Maier was asked to discontinue using the name. A similar notice was sent to Ralphs the following May. These demands were refused and this suit followed.

Among the findings from which the trial court drew its conclusion that plaintiffs had not made a case against the defendants was Finding No. 28 as follows: "28. There is no real competition between plaintiffs' Scotch whisky and defendants' beer. This lack of real competition renders it unlikely that there is, or will be, any confusion as to source in the mind of a buyer." This finding seems to suggest that Buchanan, as owner of a registered trademark, would be foreclosed from recovery if there was no real competition

between plaintiffs' Scotch whisky and the beer. We think this finding indicates a misconception of the law here applicable, and of the significance of lack of competition.

The earlier trademark Act, that of 1905 (33 Stat. 724, et seq.), provided that a right of action to suppress an infringement of a registered mark arose only if the infringement was used on "goods of the same descriptive properties" as the registrant's goods. However, the Lanham Act of 1946 (60 Stat. 427, 15 U.S.C. §1051, et seq.) made plain that infringement might be found and prohibited, though the use of the registered mark was upon goods having different descriptive properties than those set forth in the registration, and though in consequence there was no actual competition between the parties. This Act prohibits use without the registrant's consent "of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services."

Thus the question to be determined here is whether the use by Maier and Ralphs of the name "Black & White" on their beer "is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services." Before we examine the evidence here for the purpose of answering that question we must consider whether it is our function as an appellate court of furnish such asn answer.

Numerous cases in this and other circuits hold that under the circumstances here present, the question of

the likelihood of confusion is one for us to decide. In Sleeper Lounge Company v. Bell Manufacturing Co., 9 cir., 253 F. 2d 720, 723, this court quoted with approval the quotation in Miles Shoes, Inc. v. R. H. Macy & Co., 2 cir., 199 F. 2d 602, that "we are in as good a position as the trial judge to determine the probability of confusion."

One reason for applying the rule of that case, and of the other cases in accord cited in the margin[1] is that this determination of likelihood of confusion partakes more of the character of a conclusion of law than of a finding of fact. The inference to be drawn from the undisputed facts here are "derived from application of a legal standard." Lundgren v. Freeman,

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[1]The manner in which this court has undertaken to exercise its function of determining for itself the question of likelihood of confusion is illustrated by the case of Safeway Stores v. Rubber, 246 F. 2d 826. In that case the trial court had found that there was no competition between plaintiff's retail grocery stores and defendant's retail furniture stores, and that there was no evidence of confusion between the two stores and no likelihood of confusion from the use by the defendant of the word "Safeway," which had previously been the trade name of the plaintiff. Accordingly the district court denied the injunction. This court, reversing, held that the evidence showed that "there was a likelihood—a probability, if not a certainty, that, unless enjoined, appellee's use of the trade name 'Safeway' would greatly and irreparably damage appellant." Other cases in which this court has reversed the trial court's denial of injunction based on the trial court's finding of no likelihood of confusion are Morton Company v. Pachmayr, 220 F. 2d 870; National Van Lines v. Dean, 237 F. 2d 688; Stork Restaurant Inc. v. Sahati, 166 F. 2d 348, and Audio Fidelity Inc. v. High Fidelity Recordings, Inc., 283 F. 2d 551. For decisions in accord with this holding in other circuits see: Sears Roebuck & Co. v. Johnson, 8 cir., 219 F. 2d 589, 591; Milliworth Corporation Corporation v. Silfka, 5 cir., 276 F. 2d 443, 446; Metcalfe & Co. v. Kaniewski Co., 6 cir., 206 F. 2d 743, 746; California Fruit Growers Exch. v. Sunkist Baking Co., 7 cir., 166 F. 2d 971, 973.

9 cir., 307 F. 2d 104, 115.[2] Appellant asserts that this function of determining the likelihood of confusion is for us, and this has not been challenged by the appellees.

We proceed then to the inquiry whether under the circumstances here shown the use of the name Black & White on defendants' beer is likely to cause confusion as to the source of origin. Another finding of the trial court which may tend to explain the conclusion arrived at is Finding 22 as follows: "22. Scotch whisky and beer, although both containing alcohol, are goods of distinctly different properties."

For the reasons previously noted this finding is of no assistance in determining the question of liklihood of confusion. The Lanham Act has done away with the old concept of "goods of the same descriptive properties." We think that the trial court failed fully to appreciate this effect as is evidenced by the fact that in the court's opinion which accompanied its findings, reliance was made upon certain court decisions all of which antedated the Lanham Act.

In support of its contention that the use of a name on unlike goods may be enjoined, plaintiffs have cited here a substantial number of cases illustrating that proposition.[2a]

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[2]When a finding is essentially one dealing with the effect of certain transactions or events, rather than a finding which resolves disputed facts, an appellate court is not bound by the rule that findings shall not be set aside, unless clearly erroneous, but is free to draw its own conclusions." Stevenot v. Norberg, 210 F. 2d 615, 619, 9 cir.

[2a]13. For example, injunctions were granted in all of the following cases: Rolls-Royce automobiles enjoined 'Rolls-Royce' on radio tubes, Wall v. Rolls-Royce of America, Inc., 4 F. 2d

The defendants do not undertake to question those decisions but contend that they cannot be applied here because the mark "Black & White" belonging to the plaintiffs is not a distinctive or "strong" mark since the same name has been used on a great multitude of other products and for a variety of goods and services, and that as a result plaintiffs' trademark has been diluted and has lost its original distinctiveness and serves no purpose of pointing to goods from a single source.

The defendants produced evidence showing that the name Black & White had been applied and used by producers or dealers in a large number of different products. These included medicines, cosmetics, coffee, candy, bags, fountain pens, sheet music, hoof-rot remedy, corn meal, flour, soap, pencils, ginger ale, cotton prints, canned goods, and tobacco. Many of these

333 (3 cir. 1925), and successfully opposed 'Royal Rover' on baby buggies, Kroll Bros. v. Royal Rover, 129 F. 2d 195 (C.C.P.A. 1942); 'Seventeen' on dolls enjoined by 'Seventeen' magazine, Hanson v. Triangle Publications, Inc., 161 F. 2d 74 (8 cir. 1947), cert. den. 332 U.S. 855; Triangle Publications, Inc. v. Rohrlich, 167 F. 2d 969 (2 cir. 1948); 'Bulova' on clocks enjoined by watchmaker, Bulova Watch Co. v. Stolzberg, 69 F. Supp. 343 (D. Mass. 1947); 'Philco' on razor blades enjoined by 'Philco' radios and storage batteries, Philadelphia Storage Battery Co. v. Mindlin, 74 N.Y. Sup. 2d 176 (1947); 'Eskimo Kooler' on refrigerator cabinets enjoined by 'Eskimo Pie' Eskimo Kooler Corp. v. Eskimo Pie Corp., 235 F. 2d 3 (7 cir. 1956), cert. den. 352 U.S. 953; 'Fancy Free' outer garments opposed by 'Fancy Free' undergarments, Fancy Free Manufacturing Co. v. Fancy Free Fashions, Inc., 148 F. Supp. 825 (S.D.N.Y. 1957); 'Minute Maid' frozen fruit juice enjoined by 'Minute Maid' frozen juice, Pure Foods, Inc. v. Minute Maid Corp., 214 F. 2d 792 (5 cir. 1954), cert. den. 348 U.S. 888; 'Amos 'n' Andy' work shirts successfully opposed by radio entertainers, Goldman v. Amos and Andy, 68 F. 2d 740 (C.C.P.A. 1934); 'Safeway' eye glasses successfully opposed by chain food stores, Safeway Stores, Incorporated v. Safeway Opticians, Inc., 68 F. 2d 332 (1946)."

marks were registered in the Patent Office and elsewhere.

The record shows, however, that the name Black & White has never been registered in the United States Patent Office for any alcoholic beverage other than Buchanan's Scotch whisky. In 1935, the St. Claire Brewing Co. of San Jose, California, began using the name Black & White as a trademark for bottled beer and had registered the mark for use on beer with the Secretary of State of the State of California. In 1936, National Distillers, which was then the sole importer in the United States of Buchanan's whisky, learned of St. Claire's use and in August, 1936, the St. Claire Brewing Company was notified on behalf of the American agents for Buchanan that the latter considered that St. Claire was infringing Buchanan's mark, and St. Claire was called upon to withdraw the Black & White beer from the market. In response St. Claire stated that it did not sell whisky or other beverages of that kind but used the Black & White label for beer and after calling attention to the other registrations of the name for coffee, flour, fruits, vegetables, medicines, etc., it disclaimed any infringement in view of the common use of Black & White and the wide difference between Scotch whisky and lager beer. At that time suit against St. Claire was threatened but none was taken as St. Claire got into financial difficulties, went into the hands of its creditors, and ceased to use the name in 1938.

We think the record shows that the findings confirm that Buchanan had a trademark valid both at common law and under the applicable federal acts. If it be proper to speak of trademarks as being "strong" marks

or "weak" marks.[3] Buchanan's mark was assuredly a strong one. As used here, Buchanan's "Black & White" is not a descriptive term, nor does it indicate anything that has the qualities of black and white. That which is black is something "so dark as to have no distinguishable color"; white is descriptive of something "of the color of pure snow; reflecting to the eye all the rays of the spectrum combined;—the opposite of black or dark." The mark used here has no such connotation.

Paraphrasing what we said of the trademark "Dutch Boy" in National Lead Company v. Wolfe, 9 cir., 223 F. 2d 195, 199, we can say that the trademark Black & White is not used "otherwise than in a fictitious, arbitrary and fanciful manner."[4] This was recognized in the findings of the trial court where in Finding 8, which we have quoted above, it was stated: "In the alcoholic beverage industry the name 'Black & White' has come to mean Scotch whisky." This can have no meaning other than that it has acquired an arbitrary, fanciful, and secondary meaning.

The statement just quoted from Finding 8 has one corollary which necessarily follows from it, and which may be properly added to it;—the Scotch whisky, which the name Black & White has come to mean, is Buchanan's Scotch whisky.

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[3]See Sunbeam Lighting Co. v. Sunbeam Corporation, 9 cir., 183 F. 2d 969, 973.

[4]In that case we relied upon and quoted from Hanifan-Brown Shoe Co. v. Wolf Brothers & Co., 240 U.S. 251, dealing with the trademark "The American Girl" in connection with shoes. Some similar marks appear in the cases cited in appellants' footnote 13 which we have quoted above, such as the name "Seventeen" applied to a magazine, "Eskimo Pie" applied to an ice cream product, and "Minute Maid" applied to frozen juice.

It is obvious that in approaching the question which is before us, as to whether the defendants' use of the name Black & White on their beer is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods, we must recognize that the use of the name Black & White in connection with some wholly unrelated products, goods or services, cannot possibly cause confusion or mistake, or lead customers to believe that the goods or services offered had any connection with Buchanan.

Thus, defendants produced telephone directories from such cities as Boston, New York, Detroit, Los Angeles, and Pittsburgh, Pennsylvania, showing the use of the name Black & White by numerous firms and businesses. These disclosed Black & White Cleaners and Tailors; Black & White Trucking Company; Black & White Chemical Company; Black & White Dinette; Black & White Hatters; Black & White Garage; Black & White Tire Company; Black & White Market; Black & White Funeral Home, and others. It also appears that there was a small chain of retail liquor stores in Oakland, California, called Black & White. This was noted in the court's findings, which stated that Buchanan did not know of these liquor stores until after the suit was begun.

With respect to St. Claire's use of the name Black & White on its beer, appellants assert that such use had become past history at the times relevant to the matters here in suit. Appellants note that the bulk of the plaintiffs' promotion of their Black & White product through advertising and otherwise, which brought about its recognized standing, was after St.

Claire and its beer had ceased to exist. In this connection we think that appellant is correct. In view of the short time during which St. Claire used the disputed name we cannot infer any loss of plaintiffs' right or dilution thereof through the circumstances of such use.

Nor do we attach any importance to the fact, reflected in the findings, that the evidence discloses that in two instances Scotch whisky and beer having no common origin have been sold by different concerns under the same names. These names were "Ballentine's" and "Black Label". These had nothing to do with any of the parties to this suit; what the circumstances of that double use were does not appear. If in the past two other brewers did the same thing to other distillers as Maier is here charged with doing to Buchanan, that would constitute no defense or justification for the defendants here. Cf. National Lead Company v. Wolfe, supra, p. 204.

And while we recognize that a multitude of persons engaged in supplying wholly different and distinct sorts of goods or services and using the name Black & White would not be chargeable with any wrong toward Buchanan or its trademark, yet there is an area in which the use of that name by others on products that are not Scotch whisky would plainly lead to confusion and mistake of the kind prohibited by the Lanham Act. An illustration of such use would be adoption of the name Black & White by a distiller of Bourbon whisky. The question which we must answer is just where the line must be drawn between the uses of Black & White that would be unexceptionable and

those that should be enjoined because of the liklihood of confusion.

We have noted the recital in Finding 8 that "in the alcoholic beverage industry the name 'Black & White' has come to mean Scotch whisky." We have also noted that this means Buchanan's Scotch whisky.

Of course there may not be one in a hundred buyers of this whisky who knows that it is made by Buchanan or wholesaled by Fleischmann. Probably all that such buyers know is that Black & White Scotch whisky has satisifed them in the past or that they have heard of it and the average purchaser would no doubt select for the use of his guests something with which he was familiar and thus purchase Black & White whisky. What are we to say about the same purchaser who starts for home on a hot evening and decides to take home beer for refreshment? He stops at Ralphs and notes beer bearing the label "Black & White" in that store's stock. We think it to be plain that the likelihood of confusion and mistake is present here and is established by the record.[3] Assuming that the trial court's finding that it is "unlikely that there is, or will be any confusion as to source in the mind of a buyer" is

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[3]The customer who buys one of these products presumably has in mind the taste and desires of himself, his family and his guests. The known tastes and habits of one's anticipated guests would no doubt determine which product or how much of each the purchaser would take home.

Plaintiffs' witness Baumgarten testified: "Well, again, as I said, anything in the alcoholic beverage industry, we are all striving to get part of that business. If I go into a bar or a package store I might decide that I want a beer, or I might decide that I want a bourbon, a vodka, a gin or a Scotch. And if I go into a package store to take it home, or if I go in to have a drink at a bar, you are all in competition, in my opinion."

a finding of fact and not a legal conclusion, we hold that it is clearly erroneous.

It is our view, and we so hold, that the average purchaser, as the courts have described him, would be likely to believe, as he noted the Black & White beer in Ralphs' stores, that the maker of the beer had some connection with the concern which had produced the well known Black & White Scotch whisky. It is not material whether he would think that the makers of the Scotch whisky were actually brewing and bottling this beer, or whether it was being produced under their supervision or pursuant to some other arrangement with them. He would probably not concern himself about any such detail.[6]

In Stork Restaurant v. Sahati, 9 Cir., 166 F. 2d 348, 359, this court had occasion to comment upon the fact that the ordinary purchaser has only general impressions with respect to an original product or its name. He probably does not know the name of the maker who owns the trademark. In that case we said: "The

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[6] Cf. Callman, "Unfair Competition and Trade Marks," 2nd Ed. pp. 1301, 1302: "The varying degrees and types of possible connection are, of course, myriad, and whether any connection will be assumed by the public may well depend upon the custom in the trade, as it is known to the public, whether the custom be recognized by law or not. In this connection, the defendant's name may create the impression that it is a corporation affiliated with the business of the plaintiff, or a dealer may be assumed to be in a particularly close relationship with a producer, or a service station may invoke a name that falsely identifies it as a branch of a manufacturer." And see, L. E. Waterman Co. v. Gordon, 2 cir., 72 F. 2d 272, 273: "The theory on which the wrong has been extended to include the use of the mark on goods never made or sold by the owner, is that, though the infringer's user cannot at the moment take away his customers, it may indirectly do so by tarnishing his reputation, or it may prevent him from extending his trade to the goods on which the infringer is using the mark."

law is not made for the protection of experts, but for the public—that vast multitude which includes the ignorant, the unthinking, and the credulous, who, in making purchases, do not stop to analyze, but are governed by appearance and general impressions." It was argued there that one driving by an unpretentious night club displaying the sign "Stork Club" in or near San Francisco would hardly assume that the place was in any way affiliated with the celebrated New York establishment. This court then went on to say: (p. 359) "It may well be true that a prudent and worldly-wise passerby would not be so deceived. The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible."

As the trial court noted, we are dealing here with operations in the alcoholic beverage industry. It seems to us that necessarily the use on defendants' alcoholic beverage of Buchanan's trademark would be likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods.

The circumstances under which Maier began the use of this name on its beer are such as tend to confirm our conclusion as to the likelihood of confusion. A salesman who had once worked for St. Claire Brewing Company suggested the name Black & White to the head of Maier. Maier had been selling its beer to sundry customers under various labels and names and was then approached by one Molner, a wholesaler, with a view to procuring a beer which he could sell at wholesale to Ralphs Grocery Company under a name reserved for Ralphs only. Maier's general sales man-

ager testifying, described the conversation with this wholesaler as follows: "Another thing discussed was the matter of a brand name that we could make available. At that time the only label we had available that we were not using or that was not in use by someone was Black & White Lager Beer, which we had one or two sample labels which Mr. Mosiman had given me some time ago of the label Black & White beer. We showed them to Molner and he brought up the question of Black & White beer, or, rather, the name Black & White also being used for Scotch. He was told that we knew there was a Black & White Scotch. Its one of the most popular brands of Scotch. But that from our check that had been made, the name Black & White had been used on beer as was evidenced by the label, the sample labels we had. It was not at the present time being used for beer any place else in the United States that we could determine. We knew it was not being used in California because we had checked with the Alcohol Control Board on price-postings, and also that the brand was available—the brand name was available for use on beer. That was the end of it." When asked by counsel as to what he and the head of Maier considered with reference to the fact that there might be a conflict with Black & White Scotch if they adopted the name Black & White for beer, he testified: "I knew that there was and is a brand of Scotch Black & White, and I knew it was on the market. I knew it was one of the most popular brands on the market of Scotch. I could see no confliction between them—any possible confliction on the part of anybody between a can of beer on the one

hand and a bottle of Scotch on the other, as to their being interchangeable, one product to the other."[7]

The trial court found that Maier adopted the Black & White label for beer "in good faith". If by this finding the court meant to say that Maier thought that under the law it had the right to use the label, no fault can be found with it. It is plain from the testimony quoted above that Maier was laboring under the same mistake of law which we have noted in the trial court's findings, namely, that since the goods had distinctly different properties, there was no real competition between whisky and beer, and hence that defendants' adoption of the label would be lawful because no confusion would be likely. But if the finding of

[7]Kalmanovitz, the head of Maier, testified in his deposition as follows: "Q. At the time you adopted the name of Black and White for your beer, did you give any thought to the fact that was the same name that was being used on the Buchanan whiskey? A. Well, I had the knowledge that it was a Black and White scotch. Q. Did you think about it affirmatively, give any consideration to it when you adopted this label? A. I thought of it, but I couldn't find any relation, none whatsoever, between whiskey and beer. Q. Did you have any discussion on that point with anyone else? A. Possibly, just passing remark. Q. You have no definite recollection of it? A. Well, I said possibly was some comments, nothing of any importance. Q. Well, did you remember any such comment? A. Yes. I believe somebody mentioned, that I hear some remarks, a slighting remark, not any consequences that stayed in my mind. Q. You say 'a slighting remark'; what do you mean by that? A. Well, I mean I drink scotch and I know Black and White. There is no question and there is a scotch product on the market Black and White. Q. You know that it is advertised extensively? A. Well, I don't know how extensively. Occasionally I see on the billboards here and there. I don't know any degree in the State of California. Q. You have no recollection, I take it, of discussing with any lawyer the question whether there would be a conflict in the names? A. No. Q. The thought occurred to you personally? A. None whatsoever. I was positive in my mind then as I am now there is no relation between Black and White scotch whiskey and Black and White beer."

good faith is intended to mean that defendants did not intend to adopt Buchanan's Black & White name or mark for the purpose of taking advantage of the aura of good will which surrounded the name, then the finding is clearly erroneous.

The manager knew that the Black & White Scotch "was one of the most popular brands on the market" and when the wholesaler brought up the question of Black & White also being used for Scotch, the manager told him that he knew there was a Black & White Scotch, "one of the most popular brands". Without seeking any legal advice these officers of Maier simply decided for themselves that there was no relation between Scotch whisky and beer and decided to go ahead.

We cannot conclude but that Maier deliberately adopted the name knowing that Black & White was the name and trademark of Buchanan and they must have done so with some purpose in mind.[7] The only possible purpose could have been to capitalize upon the popularity of the name chosen. This popularity, they must have known, would extend to their product because the public would associate the name Black & White with something old and reliable and meritorious in the way of an alcoholic beverage."

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[7]"The record shows not only a knowledgeable adoption of the name, but also an insistence on continuation of the imitation after notice to stop. See Restatement, Torts, §710: 'Moreover, regardless of the defendant's initial purpose or knowledge, an injunction for the future was deemed appropriate because continuance of the imitation after the notice was acquired in the suit would be tantamount to "fraud."'

[8]Maier's manager testified that when the wholesaler Molner approached him they discussed the matter of a legal name. "At that time the only label we had available that we were not using

It is well settled that plaintiffs were not obliged in order to make a case against the defendants to prove a wrongful intent. Safeway Stores v. Rudner, 9 cir., 246 F. 2d 826, 829. But when the evidence does show or require the inference that another's name was adopted deliberately with a view to obtain some advantage from the good will, good name, and good trade which another has built up, then the inference of likelihood of confusion is readily drawn, for the very act of the adopter has indicated that he expects confusion and resultant profit. American Chicle Co. v. Topps Chewing Gum, 2 cir., 208 F. 2d 560, 562; Miles Shoes, Inc. v. R. H. Macy & Co., 2 cir., 199 F. 2d 602, 603; National Van Lines v. Dean, 9 Cir., 237 F. 2d 688, 692. As was said in the last cited case: "[I]f such an intent is shown, it raises a presumption that deception and confusion resulted."[10]

Furthermore, Maier knew, just as we do, that it had open to it a whole dictionary full of words, an encyclopedia full of proper names, and a world atlas full of place names from which to select a non-offending label. The evidence shows that at the time Maier was using no less than 21 separate names or labels.[11]

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or that was not in use by someone was Black & White Lager Beer." All that this can mean is that Maier had found that no other beer was then being marketed under that name, and Maier had obtained sample labels bearing the name. Maier never purported to have any connection with St. Claire. And at the time of his conversation the St. Claire company and its beer had been dead and gone 18 years.

[10]See the discussion of this matter in Restatement, Torts, §729, comment *f*.

[11]These names were: ABC, Hausbrau, Steinbrau, 102, East Bavaria, Maier's Select, Padre, Rex, Black & White, Old Heidel-

Appellees place much reliance upon the testimony of the witness Baumgarten. He was regional vice-president of Fleischmann. He was called to testify among other things as to the general reputation of Buchanan's Black & White Scotch whisky and as to the extent of advertising campaigns to emphasize the name Black & White. On cross-examination he testified: "Now, is it your contention, Mr. Baumgarten, that a customer would be confused in buying a can of Black & White beer put out by the Maier people that he was getting a product of Buchanan's? A. No. The only two very isolated instances, I was asked in Southern California by people who were in the business, 'When did you people start making beer?' And that is, as I said, only a couple of instances that that has happened. No, my answer is no to your question." Of course this is something more than a mere expression of an opinion by a witness. Baumgarten, as a regional vice-president of Fleischmann, would appear to be a person authorized to make admissions on behalf of Fleischmann. The question is whether this statement, which concludes with a negative answer as to whether there would be confusion of the kind we have been here discussing, was in the nature of a judicial admission such as an admission in a pleading which would operate to put the plaintiffs out of court.

There are decisions to the effect that a party is bound by his own testimony in the sense that the same constitutes a judicial admission so that the court is under a duty to find the facts in accordance with

burg, Old Time, Dodger, Better Foods, Cake, King Kole, Corey, McDaniels, Shoggers, Alpine, Golden Drop, Golden Grain".

Surely this list did not exhaust Maier's ingenuity. The only rational explanation for the insistence on using Black & White was to trade on the other Black & White's good will.

the testimony. Such a holding is criticized by Wigmore (Wigmore on Evidence, 3d ed., §2594 (a)), and the California courts have agreed with Wigmore and quoted his criticism with approval. Richey v. Pedersen, 100 Cal. App. 2d 512, 519, 224 P. 2d 100, 105; Weingetz v. Cheverton, 102 Cal. App. 2d 67, 78, 226 P. 2d 742, 749. Mr. McCormick (McCormick On Evidence, §243), notes that by no means is every sort of testimony of a party to be treated as a conclusive or judicial admission. Among the exceptions noted are cases in which the testimony of the party is in the nature of an opinion.[12]

We are not confronted with the necessity of passing upon that question here for the reason that Baumgarten, although an officer of Fleischmann, was not an officer or agent of Buchanan, and under no circumstances could his testimony be binding upon it. Even if we were to go so far as to assume because of Baumgarten's testimony that Fleischmann could get no relief here that would not affect Buchanan's rights on this appeal.[13]

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[12]"The rule is inapplicable, moreover" when the party's testimony "is an estimate or opinion rather than an assertion of concrete fact."

[13]We have some difficulty in interpreting the testimony of Baumgarten which is quoted above. Although he referred to two instances in which people "in the business" asked when "did you people start making beer?" he followed that with an emphatic repetition of his answer "No," to the question whether a customer would be confused, in buying a can of Black & White beer, that he was getting a product of Buchanan's. Appellant argues that the reference to these two instances was evidence of actual confusion. Since the inquiry was made by those who were in the business and hence should know better, the trial judge may have been justified in believing that these inquiries were in the nature of jocular remarks used by way of banter. For this reason and because Baumgarten's opinion as to

When a newcomer takes the name Black & White and makes a use of it on a product which in the mind of the buyer is related to or associated with the product of the original trademark owner, we think it may be said that confusion as to the source of origin is likely to result. The use need not be the same as, nor one in competition with the original use. The question is, are the uses related so that they are likely to be connected in the mind of a prospective purchaser?

This is a test which was early applied by the Second Circuit in a somewhat similar case. That court was one of those which prior to the Lanham Act gave to the 1905 Act a liberal construction which anticipated the changes that were written into the Lanham Act to which we have previously alluded.[9] That case was

the issue to be decided by this court cannot bind us, we attach little weight to his testimony. Of course proof of specific instances of actual confusion is unnecessary in cases of this kind. La Touraine Coffee Co. v. Lorraine Coffee Co., 2 cir., 157 F. 2d 115, 117; Abramson v. Ozro, Inc., 5 cir., 240 F. 2d 854, 857; S. S. Kresge Co. v. Champion Spark Plug Co., 6 cir., 3 F. 2d 415, 419; Queen Mfg. Co. v. Isaac Grisberg & Bros., 8 cir., 25 F. 2d 284, 288; Audio Fidelity Inc. v. High Fidelity Recordings, Inc., 9 cir., 283 F. 2d 551, 557.

[9]See Robert, "Commentary on The Lanham Trade-Mark Act," appearing in 15 U.S.C.A. §§81-1118 (1948 ed.) p. 263, at 286: "Under the 1905 Act a right of action to suppress an infringement of a registered mark arose only if the infringement was used on 'goods of the same descriptive properties' as the registrant's goods. In its practical application the phrase 'goods of the same descriptive properties' was construed strictly by some courts and liberally by others, with the inevitable result that no one knew precisely what it meant. Strict construction required that the goods be the same, and some courts held that there must be actual confusion of goods before relief could be granted. But many courts reasoned that if the goods are not identical or somewhat related, purchasers might mistakenly think that the goods of both parties emanated from the same source."

Aunt Jemima Co. v. Rigney & Cos. 2 cir., 247 F. 407, 409.[10a]

[10a]The court held that the owners of the words "Aunt Jemima" as a registered trademark for self-rising pancake flour were entitled to an injunction against the defendants who used the same name on their pancake-syrup. The court said (pp. 409 to 410): "It is said that even a technical trade mark may be appropriated by any one in any market for goods not in competition with those of the prior user. This was the view of the court below in saying that no one wanting syrup could possibly be made to take flour. But we think that goods, though different, *may be so related as to fall within the mischief which equity should prevent.* Syrup and flour are both food products, and food products commonly used together. Obviously the public, or a large part of it, seeing this trade-mark on a syrup, would conclude that it was made by the complainant. Perhaps they might not do so, if it were used for flatirons. In this way the complainant's reputation is put in the hands of the defendants. It will enable them to get the benefit of the complainant's reputation and advertisement. These we think are property rights, which should be protected in equity." (Emphasis ours.)

The same court in Yale Electric Corporation v. Robertson, 2 cir., 26 F. 2d 972, 973, granted the manufacturer of Yale locks an injunction against the use of "Yale" on flashlights. It was recognized that the manufacturer of locks did not make flashlights. The court said: "Therefore it was at first a debatable point whether a merchant's good will, indicated by his mark, could extend beyond such goods as he sold. How could he lose bargains which he had no means to fill?" The court then proceeded to answer this inquiry and said (p. 974): "However, it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal, by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. *And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful.*" (Emphasis ours.)

We are not prepared here to go so far as the Second Circuit did in the Yale Electric case; we are not required to do so for plainly whisky and beer are more "related" than locks and flashlights, and less "foreign" to each other. And we do not follow the suggestion of the emphasized statement that the burden of proof may be on the defendant. But the word "foreign" furnishes a useful test, as "foreign" is contrasted with "related."

We think it must be said here, as in the Aunt Jemima case, supra, that beer and Scotch whisky, being both within the alcoholic beverage industry, are "so related as to fall within the mischief which equity should prevent." And, as suggested in the Yale Electric Corporation case, supra, we cannot hold that Maier's use is so foreign to that of Buchanan's as to insure against any identification of the two.

It is not incumbent upon us here to express any opinion as to whether other uses of the name on products outside of the alcoholic beverage industry would or would not be infringement of the trademark. If the uses of the name by those who have thus registered it are so wholly unrelated and foreign to plaintiffs' use as to insure against any possible identification of the two then those registrations are immaterial and irrelevant here for that special reason. They could bring about no possible dilution of the plaintiffs' trademark, for Buchanan could have done nothing about them. In any event, as we have previously indicated, the use of the name by others, whether wrongful or not, is simply immaterial to this case, as we held in Safeway Stores v. Rudner, supra, and National Lead Company v. Wolfe, supra.

The court below, while stating that there is "an apparent conflict of the decisions" undertook to cite in its opinion five cases which it thought supported its views.[13] It is sufficient to say that we have care-

[13] The cases thus cited are: Ann. Distilleries v. Globe Brewing Co., 117 F. 2d 881; and Schneider Brewing Co., 20 F. Supp. 147, 21 C.C.P.A. (Patents) 815; Burger Brewing v. Malleis Brewing Co., 21 C.C.P.A. (Patents) 815; Beverage v. Minneapolis Brewing Co., 83 F. 2d 72; Lancaster v. McKesson-Roeder-Schieffelin, 185 Fed. 817, 120 C.C.A. 41, 422

fully examined the cases thus cited and it is our opinion that they are all factually distinguishable from the case before us. It is elementary that in the decision of a case of this kind, involving the question of confusing similarity, each case must stand on its own facts, and prior decisions are of little assistance.[16] In addition it should be noted that the decisions relied upon by the trial court antedate the enactment of the Lanham Act and are distinguishable upon that ground.

This disposition of the case makes it unnecessary to consider appellants' argument that our case of Stork Restaurant v. Sahati, supra, is authority for the proposition that wholly apart from any likelihood of confusion as to the origin of a product, a trademark owner may enjoin use by another which results in dilution of the distinctiveness of the owner's mark. Since we have found likelihood of confusion here we need not consider this argument.[17]

And because we have found adequate legal support for our conclusion in the Lanham Act, we do not consider here the appellants' argument that the California law, statutory and decisional, compels the same conclusion.

We notice one conclusion of the district court (No. 13), which can have no bearing upon the decision of this case. That conclusion reads as follows: "13. The

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[16]Appellants cite the following cases asserted to be in square conflict with the decision of the court below: Four Roses Products Co. v. Small Grain Distilling & Drug Co., 20 F. 2d 959 (D.C. Cir. 1928); Ex Parte American Wine Co., 90 U.S.P.Q. 15 (Comm'r. of Patents, 1951); and Dubonnet Wine Corp. v. Ben-Burk, Inc., 121 F. 2d 508 (C.C.P.A. 1941).

[17]See Callman, "Unfair Competition and Trade Marks" (2d ed.), Vol. 3, pp. 1042 to 1045.

defendants, by using the name 'Black & White' on beer, have not infringed the plaintiffs' trademark rights in plaintiffs' combination mark of the words 'Black & White' and two Scottie dogs." The facts are that Buchanan has two federal trademarks;—one is the Black & White mark which we have previously discussed, and the other, which it registered at a later date, consisted of the combination of the words "Black & White" and a picture of a pair of Scottie dogs, one of them black and one of them white. The evidence shows that Buchanan had used both trade marks on this whisky. The first one, "Black & White" appears on the label on the front of the bottle; the combination trademark,—the Scottie dogs combined with the words Black & White, appear on the label on the back of the bottle. This action was brought for infringement of the first trademark using the words Black & White alone. It is not alleged that the other trademark was infringed by the defendants and the fact that the Scottie dogs do not appear on defendants' beer is immaterial and irrelevant. Conclusion No. 13 is also irrelevant.

The trial court found that the labels and containers used by the defendants were so distinct from those used by plaintiffs that they would not tend to deceive or confuse. Such variation as existed in the labels here is insufficient to protect the defendants against the injunction sought. An examination of the whole range of decisions in this field brings out one conclusion,—that an infringer seldom makes a Chinese copy of another's trademark, package or label. As stated in Saxlehner v. Eisner & Mendelson Co., 179 U. S.

19, 33, "It is not necessary to constitute an infringement that every word of a trade-mark should be appropriated. It is sufficient that enough be taken to deceive the public in the purchase of a protected article."

It is the general public, the unskilled purchaser, who is entitled to protection; and in determining whether there is a likelihood of confusion we must remember that the members of the purchasing public have only general impressions which must guide them in the selection of products. We think that the purchaser of a carton of beer in Ralphs' grocery store would have no way of pulling from his pocket a precise copy of Buchanan's label to compare with the label on the beer. His general impression relates to the name "Black & White" and that is the extent of his knowledge ordinarily.

We hold therefore that the court below was in error in denying the injunction prayed for.

The judgment is reversed and the cause is remanded to the district court with directions to enter judgment in accordance with this opinion. The question of plaintiffs' right to an accounting, not having been dealt with on the previous trial, remains for decision by the district court.

(Endorsed) Opinion Filed Feb. 12, 1963.

Frank H. Schmid, Clerk.

APPENDIX D.

(Judgment).

United States Court of Appeals for the Ninth Circuit.

The Fleischmann Distilling Corp., a corp., etc., Appellants, vs. Maier Brewing Company, a corp., Appellees. No. 17,090.

Appeal from the United States District Court for the Northern District of California, Southern Division.

This cause came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California, Southern Division, and was duly submitted.

On consideration whereof, it is now here ordered and adjudged by this Court, that the judgment of the said District Court of this Cause be, and hereby is reversed with costs in favor of the appellants and against the appellees, and the cause is remanded to the District Court with directions to enter judgment in accordance with the opinion of this Court. The question of plaintiffs' right to an accounting, not having been *dclt* with on the previous trial, remains for decision by the District Court.

It is further ordered and adjudged that appellants recover against appellees for their costs herein expended and have execution therefor.

Filed and entered February 12, 1963.